

CHAPTER 185

APPROPRIATIONS — INFRASTRUCTURE AND CAPITAL PROJECTS

H.F. 742

AN ACT relating to and making appropriations to state departments and agencies, including the department of corrections, the department of cultural affairs, the department of economic development, the department of general services, the Iowa state fair foundation, the legislative council, the department of natural resources, the department of public defense, the department of public safety, the state board of regents, the state department of transportation, the office of treasurer of state, and the department of agriculture and land stewardship, and to the Iowa resources enhancement and protection fund, making related statutory changes, providing for alternative and contingent appropriations, and providing effective dates.

Be It Enacted by the General Assembly of the State of Iowa:

**DIVISION I
REBUILD IOWA INFRASTRUCTURE FUND
DEPARTMENT OF CORRECTIONS**

Section 1. There is appropriated from the rebuild Iowa infrastructure fund to the department of corrections for the fiscal year beginning July 1, 2002, and ending June 30, 2003, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To supplement funds appropriated in 1998 Iowa Acts, chapter 1219, section 2, subsection 3, for construction of a 200-bed facility at the Iowa state penitentiary at Fort Madison:

..... \$ 2,000,000

Sec. 2. 2000 Iowa Acts, chapter 1225, section 2, unnumbered paragraph 2, is amended to read as follows:

The first \$300,000 of the amount appropriated in this subsection shall be allocated for community-based corrections projects in Council Bluffs. The next \$600,000 of the amount appropriated in this subsection shall be allocated for community-based corrections projects in the judicial district in which the city of Davenport is located. These moneys may be used by the department to enter into lease-purchasing agreements or the payment of rent for such projects.

Sec. 3. 1999 Iowa Acts, chapter 204, section 1, subsection 1, is amended to read as follows:

1. For purchase and planning, design, and construction of a 170-bed facility at the Iowa medical and classification center at Oakdale:

FY 1999-2000..... \$ 3,750,000

..... \$ 1,050,000

FY 2000-2001..... \$ 2,500,000

0

DEPARTMENT OF CULTURAL AFFAIRS

Sec. 4. There is appropriated from the rebuild Iowa infrastructure fund to the department of cultural affairs for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For historical site preservation grants, to be used for the restoration, preservation, and development of historical sites:

..... \$ 1,000,000

Historical site preservation grants shall only be awarded for projects which meet the definition of “vertical infrastructure” in section 8.57, subsection 5, paragraph “c”.

In making grants pursuant to this subsection, the department shall consider the existence and amount of other funds available to an applicant for the designated project. Each grant

awarded from moneys appropriated in this subsection shall not exceed \$100,000 per project. Not more than two grants may be awarded in each county.

2. For continuation of the project recommended by the Iowa battle flag advisory committee to stabilize the condition of the battle flag collection, notwithstanding section 8.57, subsection 5, paragraph "c":

..... \$ 150,000

DEPARTMENT OF EDUCATION

Sec. 5. There is appropriated from the rebuild Iowa infrastructure fund to the department of education for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, to be used for the purpose designated:

To provide resources for structural and technological improvements to local libraries, notwithstanding section 8.57, subsection 5, paragraph "c":

..... \$ 500,000

DEPARTMENT OF GENERAL SERVICES

Sec. 6. There is appropriated from the rebuild Iowa infrastructure fund to the department of general services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For relocation expenses associated with remodeling projects on the capitol complex, notwithstanding section 8.57, subsection 5, paragraph "c":

..... \$ 1,000,000

2. For routine maintenance of state buildings and facilities under the purview of the department, notwithstanding section 8.57, subsection 5, paragraph "c":

..... \$ 2,000,000

The department shall quarterly file a report with the legislative fiscal bureau detailing the use and disposition of funds appropriated in this subsection.

Sec. 7. There is appropriated from the rebuild Iowa infrastructure fund to the department of general services for the fiscal years designated, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the construction of a pedestrian bridge across Court avenue to provide pedestrian access across the capitol complex:

FY 2001-2002 \$ 0

FY 2002-2003 \$ 650,000

2. For capitol interior restoration:

FY 2001-2002 \$ 0

FY 2002-2003 \$ 2,700,000

Sec. 8. 1996 Iowa Acts, chapter 1218, section 13, subsection 2, paragraph d, subparagraph (2), is amended to read as follows:

(2) For the fiscal year beginning July 1, 1997, and ending June 30, 1998:

..... \$ 400,000

185,000

LEGISLATIVE COUNCIL

Sec. 9. 1999 Iowa Acts, chapter 204, section 14, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding anything to the contrary in this section of this Act or section 8.33, the moneys appropriated in section 7 of this Act shall remain available for the purposes designated until June 30, 2006.

DEPARTMENT OF PUBLIC DEFENSE

Sec. 10. There is appropriated from the rebuild Iowa infrastructure fund to the department of public defense for the fiscal years designated, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

For construction of a new national guard armory at Estherville:

FY 2001-2002.....	\$	0
FY 2002-2003.....	\$	400,000
FY 2003-2004.....	\$	461,000

STATE BOARD OF REGENTS

Sec. 11. There is appropriated from the rebuild Iowa infrastructure fund to the state board of regents for the fiscal period beginning July 1, 2001, and ending June 30, 2004, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For construction of a new business college building at Iowa state university of science and technology:

FY 2001-2002.....	\$	0
FY 2002-2003.....	\$	6,700,000
FY 2003-2004.....	\$	0

2. For phase I of construction of the art building at the state university of Iowa:

FY 2001-2002.....	\$	0
FY 2002-2003.....	\$	7,910,000
FY 2003-2004.....	\$	3,653,000

3. For upgrading the steam distribution system at the university of northern Iowa:

FY 2001-2002.....	\$	0
FY 2002-2003.....	\$	4,320,000
FY 2003-2004.....	\$	4,390,000

The state board of regents is authorized to enter into contracts for the full cost of carrying out the projects listed in subsections 1 through 3, for which appropriations are made in those subsections. The state shall not be obligated for costs associated with contracts identified in this paragraph in excess of the funds appropriated by the general assembly.

Sec. 12. REVERSION. Notwithstanding section 8.33, moneys appropriated in this division of this Act shall not revert at the close of the fiscal year for which they were appropriated but shall remain available for the purposes designated until the close of the fiscal year that begins July 1, 2004, or until the project for which the appropriation was made is completed, whichever is earlier.

Sec. 13. EFFECTIVE DATE. Sections 3, 8, and 9 of this division of this Act, amending 1999 Iowa Acts, chapter 204, section 1; 1996 Iowa Acts, chapter 1218, section 13, subsection 2, paragraph "d", subparagraph (2); and 1999 Iowa Acts, chapter 204, section 14, respectively, being deemed of immediate importance, take effect upon enactment.

DIVISION II
 ENVIRONMENT FIRST FUND
 DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

Sec. 14. There is appropriated from the environment first fund to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the conservation reserve enhancement program to restore and construct wetlands for the purposes of intercepting tile line runoff, reducing nutrient loss, improving water quality, and enhancing agricultural production practices:

.....	\$	1,500,000
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2. For continuation of a program that provides multi-objective resource protections for flood control, water quality, erosion control, and natural resource conservation:

..... \$ 2,700,000

3. For continuation of a statewide voluntary farm management demonstration program to demonstrate the effectiveness and adaptability of emerging practices in agronomy that protect water resources and provide other environmental benefits:

..... \$ 850,000

4. For deposit in the alternative drainage system assistance fund created in section 159.29A to be used for purposes of supporting the alternative drainage system assistance program as provided in section 159.29B:

..... \$ 1,000,000

Of the amount appropriated in this subsection, \$300,000 shall be allocated to drainage district 176 to provide cost-share assistance for closing agricultural drainage wells and constructing alternative drainage systems in order to assist in raising the level of cost-share payments to 75 percent of the cost of the projects.

5. To provide financial assistance for the establishment of permanent soil and water conservation practices:

..... \$ 7,500,000

a. Not more than 5 percent of the moneys appropriated in this subsection may be allocated for cost-sharing to abate complaints filed under section 161A.47.

b. Of the moneys appropriated in this subsection, 5 percent shall be allocated for financial incentives to establish practices to protect watersheds above publicly owned lakes of the state from soil erosion and sediment as provided in section 161A.73.

c. Not more than 30 percent of a district's allocation of moneys as financial incentives may be provided for the purpose of establishing management practices to control soil erosion on land that is row-cropped, including but not limited to no-till planting, ridge-till planting, contouring, and contour strip-cropping as provided in section 161A.73.

d. The state soil conservation committee created in section 161A.4 may allocate moneys appropriated in this subsection to conduct research and demonstration projects to promote conservation tillage and nonpoint source pollution control practices.

e. The financial incentive payments may be used in combination with department of natural resources moneys.

6. To encourage and assist farmers in enrolling in the continuous sign-up federal conservation reserve program and work with them to enhance their revegetation efforts to improve water quality and habitat:

..... \$ 1,500,000

7. For deposit in the loess hills development and conservation fund created in section 161D.2:

..... \$ 750,000

Of the amount appropriated to the loess hills development and conservation fund in this subsection, \$500,000 shall be allocated to the hungry canyons account and \$250,000 shall be allocated to the loess hills alliance account.

8. For allocation to the southern Iowa conservation and development authority¹ for protection of road structures:

..... \$ 250,000

DEPARTMENT OF ECONOMIC DEVELOPMENT

Sec. 15. There is appropriated from the environment first fund to the department of economic development for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For deposit in the brownfield redevelopment fund created in section 15.293 to provide assistance under the brownfield redevelopment program:

..... \$ 2,000,000

¹ Southern Iowa "development and conservation" authority probably intended

DEPARTMENT OF NATURAL RESOURCES

Sec. 16. There is appropriated from the environment first fund to the department of natural resources for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. To provide local watershed managers with geographic information system data for their use in developing, monitoring, and displaying results of their watershed work:

..... \$ 195,000

2. For statewide coordination of volunteer efforts under the water quality and keepers of the land programs:

..... \$ 70,000

3. For continuing the establishment and operation of water quality monitoring stations:

..... \$ 2,500,000

4. For contracting to assist department staff with the review of national pollutant discharge elimination system permits:

..... \$ 180,000

5. For additional efforts to reduce the department's floodplain permit backlog:

..... \$ 180,000

6. For continuation of the waste tire abatement program:

..... \$ 500,000

7. To complete natural resource inventories and protection plans to identify and safeguard unique landforms and ecosystems:

..... \$ 125,000

8. For a community-based grant distribution program to provide funding for the planting of trees throughout the state:

..... \$ 250,000

9. For the dredging of lakes, including necessary preparation for dredging, in accordance with the department's classification of Iowa lakes restoration report:

..... \$ 500,000

10. For purposes of funding capital projects for the purposes specified in section 452A.79, and for expenditures for the local cost share grants to be used for capital expenditures to local governmental units for boating accessibility:

..... \$ 2,300,000

If the amount appropriated in this subsection exceeds the amount of marine fuel tax receipts deposited into the rebuild Iowa infrastructure fund for the fiscal year ending June 30, 2002, the difference between the amount appropriated in this subsection from the environment first fund and the actual marine fuel tax receipts deposited into the rebuild Iowa infrastructure fund is appropriated to the rebuild Iowa infrastructure fund from the accumulated balance of marine fuel tax receipts in the general fund of the state which is tracked by the department of management pursuant to section 8.60, subsection 14.²

11. For a contribution toward the development of the Lewis and Clark rural water system:

..... \$ 60,000

STATE DEPARTMENT OF TRANSPORTATION

*Sec. 17. There is appropriated from the environment first fund to the state department of transportation for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For a grant to the Grundy county conservation board for a borrow pit recreational area project:

..... \$ 90,000

The grant made pursuant to this section shall be awarded on a matching basis of one dollar for every two dollars the Grundy county conservation board has raised. The moneys appropriated in this section shall not be used for administrative costs.*

² Iowa Code section 8.60, subsection 13 probably intended
* Item veto; see message at end of the Act

Sec. 18. 2000 Iowa Acts, chapter 1225, is amended by adding the following new section after section 28:

NEW SECTION. SEC. 28A. REVERSION. Notwithstanding section 8.33, moneys appropriated in sections 25 through 27 of this division of this Act shall not revert at the close of the fiscal year for which they were appropriated but shall remain available for the purposes designated until the close of the fiscal year beginning July 1, 2003, or until the project for which the appropriation was made is completed, whichever is earlier.

RESOURCES ENHANCEMENT AND PROTECTION FUND

Sec. 19. Notwithstanding the amount of the standing appropriation from the general fund of the state under section 455A.18, subsection 3, there is appropriated from the environment first fund to the Iowa resources enhancement and protection fund, in lieu of the appropriation made in section 455A.18, for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, to be allocated as provided in section 455A.19:

.....	\$	10,000,000
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Sec. 20. REVERSION.

1. Except as provided in subsection 2, and notwithstanding section 8.33, moneys appropriated in this division of this Act shall not revert at the close of the fiscal year for which they were appropriated but shall remain available for the purposes designated until the close of the fiscal year beginning July 1, 2002, or until the project for which the appropriation was made is completed, whichever is earlier.

2. Notwithstanding section 8.33, moneys appropriated to the department of agriculture and land stewardship to provide financial assistance for the establishment of permanent soil and water conservation practices as provided in section 14, that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that begins July 1, 2004.

Sec. 21. EFFECTIVE DATE. Section 18 of this division of this Act, amending 2000 Iowa Acts, chapter 1225, being deemed of immediate importance, takes effect upon enactment.

DIVISION III
TOBACCO SETTLEMENT TRUST FUND

Sec. 22. 2000 Iowa Acts, chapter 1225, section 10, is amended by striking the section.

Sec. 23. 2000 Iowa Acts, chapter 1225, section 15, subsections 1 through 3, are amended to read as follows:

1. For improvements to Gilman hall at Iowa state university of science and technology, including the replacement of the heating, ventilation, and air conditioning system, replacement of the fume hood exhaust system, and the construction of an addition to house mechanical equipment:

FY 2000-2001	\$	8,500,000
FY 2001-2002	\$	2,500,000
		<u>0</u>
FY 2002-2003	\$	0

2. For continued renovation of the biological sciences facility at the state university of Iowa:

FY 2000-2001	\$	4,400,000
FY 2001-2002	\$	7,300,000
		<u>0</u>
FY 2002-2003	\$	3,000,000

3. For construction of an addition to McCollum science hall at the university of northern Iowa:

FY 2000-2001.....	\$	2,700,000
FY 2001-2002.....	\$	5,800,000
		<u>0</u>
FY 2002-2003.....	\$	8,400,000

Sec. 24. 2000 Iowa Acts, chapter 1225, section 18, unnumbered paragraph 2, is amended to read as follows:

For deposit in the community attraction and tourism fund:

FY 2001-2002.....	\$	12,500,000
		<u>0</u>
FY 2002-2003.....	\$	12,500,000
FY 2003-2004.....	\$	12,500,000

Sec. 25. There is appropriated from the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund to the following departments and agencies for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. DEPARTMENT OF CORRECTIONS.

a. To supplement funds appropriated in 1998 Iowa Acts, chapter 1219, section 2, subsection 3, for construction of a 200-bed facility at the Iowa state penitentiary at Fort Madison:

.....	\$	6,400,000
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b. For costs associated with connecting the correctional facility at Oakdale to the city of Coralville water system:

.....	\$	100,000
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c. For the final phase of the state's share of the construction costs associated with the Mitchellville waste water treatment plant:

.....	\$	364,400
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d. For costs of entering into a lease-purchase agreement to connect the electrical system supporting the special needs unit at Fort Madison:

.....	\$	333,168
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2. DEPARTMENT OF ECONOMIC DEVELOPMENT.

For accelerated career education program capital projects at community colleges that are authorized under chapter 260G and that meet the definition of "vertical infrastructure" in section 8.57, subsection 5, paragraph "c":

.....	\$	2,500,000
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The moneys appropriated in this subsection shall be allocated equally among the community colleges in the state. If any portion of the equal allocation to a community college is not obligated or encumbered by April 1, 2002, the unobligated and unencumbered portions shall be available for use by other community colleges.

3. DEPARTMENT OF GENERAL SERVICES.

a. For major renovation and major repair needs including health, life, and fire safety needs, and for compliance with the federal Americans With Disabilities Act, for state-owned buildings and facilities:

.....	\$	11,500,000
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(1) Of the amount appropriated in this paragraph "a", up to \$375,000 may be used for costs associated with project management services in the division of design and construction of the department, notwithstanding section 8.57, subsection 5, paragraph "c".

(2) Of the amount appropriated in this paragraph "a", \$200,000 may be used for costs associated with the vertical infrastructure program, notwithstanding section 8.57, subsection 5, paragraph "c".

b. For the purchase of land and improvements to properties in the vicinity of the capitol complex:

..... \$ 200,000
 Funds appropriated in this paragraph "b" may be expended to prepare purchased property for utilization by the state.

*c. For the construction of a pedestrian bridge across Court avenue to provide pedestrian access across the capitol complex:

..... \$ 400,000*

d. For capitol interior restoration:

..... \$ 1,700,000

e. For consideration for an option to purchase all or a portion of the following properties, notwithstanding section 8.57, subsection 5, paragraph "c": a 2.4-acre parcel located at the northwest corner of Pennsylvania avenue and Des Moines street, including a 26,319-square foot one-story masonry structure; a 0.17-acre site located at 1022 Des Moines street; a 2.2-acre site on the city block bounded by East Eleventh, East Twelfth, Des Moines, and Lyon streets, including an 11,058-square foot building; and a 7.5-acre parcel consisting of two contiguous city blocks bounded by East Twelfth, East Fourteenth, Des Moines, and Lyon streets, including five buildings:

..... \$ 500,000

The consideration for the option to purchase shall be applied to the contract purchase price in the event the option to purchase any or all of the properties described in this paragraph "e" is exercised. The option to purchase shall be for a period of at least one year beginning on or after July 1, 2001, and shall be exercised only after a specific appropriation by the general assembly for the purchase of all or a portion of the properties described in this paragraph "e".

f. For an appraisal, environmental assessment, and feasibility study of the properties described in paragraph "e":

..... \$ 250,000

4. IOWA STATE FAIR AUTHORITY.

For vertical infrastructure projects on the state fairgrounds:

..... \$ 500,000

For purposes of this subsection, "vertical infrastructure" means the same as defined in section 8.57, subsection 5, paragraph "c".

5. JUDICIAL BRANCH.

For construction of a new judicial building:

..... \$ 10,300,000

The judicial branch is authorized to enter into contracts for the full cost of the planning, design, and construction of a new judicial building for which appropriations are made in this subsection and in 1998 Iowa Acts, chapter 1223, section 8, and 1999 Iowa Acts, chapter 204, section 6. The state shall not be obligated for costs associated with contracts identified in this paragraph in excess of funds appropriated by the general assembly. Notwithstanding any provision of this Act to the contrary or section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year that begins July 1, 2004, shall revert at the close of that fiscal year. However, if the project for which the moneys are appropriated is completed in an earlier fiscal year, unencumbered or unobligated moneys shall revert at the close of that fiscal year.

6. DEPARTMENT OF NATURAL RESOURCES.

a. For continuation of the restore the outdoors program:

..... \$ 2,500,000

b. For costs associated with the planning and design of a premier destination park, notwithstanding section 8.57, subsection 5, paragraph "c", as follows:

..... \$ 1,000,000

* Item veto; see message at end of the Act

7. DEPARTMENT OF PUBLIC DEFENSE.

- a. For maintenance and repair of national guard armories and facilities:
..... \$ 700,000
- b. For construction of a new national guard armory at Estherville:
..... \$ 400,000

*8. DEPARTMENT OF PUBLIC SAFETY.

For the location and purchase of land, a site survey, soil sampling, and site preparation for the construction of a new Iowa state patrol post in Mason City:
..... \$ 250,000*

9. STATE BOARD OF REGENTS.

- a. For construction of a new business college building at Iowa state university of science and technology:
..... \$ 4,200,000
- b. For phase I of construction of the art building at the state university of Iowa:
..... \$ 4,453,000
- c. For upgrading the steam distribution system at the university of northern Iowa:
..... \$ 3,990,000
- d. For utility system replacement at the Iowa school for the deaf:
..... \$ 250,000
- e. For tuckpointing at the Iowa school for the deaf:
..... \$ 185,000
- f. For upgrading the heating, ventilation, and air conditioning system at the Iowa braille and sight saving school:
..... \$ 400,000
- g. For improvements to Gilman hall at Iowa state university of science and technology, including the replacement of the heating, ventilation, and air conditioning system, replacement of the fume hood exhaust system, and the construction of an addition to house mechanical equipment:
..... \$ 2,500,000
- h. For continued renovation of the biological sciences facility at the state university of Iowa:
..... \$ 7,300,000
- i. For construction of an addition to McCollum science hall at the university of northern Iowa:
..... \$ 5,800,000

The state board of regents is authorized to enter into contracts for the full cost of carrying out the projects listed in paragraphs "a" through "c" and "g" through "i", for which appropriations are made in those paragraphs. The state shall not be obligated for costs associated with contracts identified in this paragraph in excess of the funds appropriated by the general assembly.

10. STATE DEPARTMENT OF TRANSPORTATION.

- a. For vertical infrastructure improvements at all 10 of the commercial air service airports within the state:
..... \$ 1,000,000

One-half of the funds appropriated in this paragraph "a" shall be allocated equally between each commercial service airport, 40 percent of the funds shall be allocated based on the percentage that the number of enplaned passengers at each commercial service airport bears to the total number of enplaned passengers in the state during the previous fiscal year, and 10 percent of the funds shall be allocated based on the percentage that the air cargo tonnage at each commercial service airport bears to the total air cargo tonnage in the state during the previous fiscal year. In order for a commercial service airport to receive funding under this paragraph "a", the airport shall be required to submit applications for funding of specific projects to the department for approval by the state transportation commission.

* Item veto; see message at end of the Act

b. For an aviation hangar grant program for improvements to and design and construction of hangars at general aviation airports within the state:

..... \$ 500,000

c. For acquiring, constructing, and improving recreational trails within the state:

..... \$ 1,000,000

Of the amount appropriated in this paragraph "c", \$500,000 shall be used for funding, on a matching basis, recreational trail projects, with priority given to completion of trail connections and sections between existing trails and parks within the established state recreational trails system. Such projects shall be matched by \$1 of private or other funds for each \$3 of state funds.

Of the amount appropriated in this paragraph "c", \$50,000 shall be allocated for planning and development of the Iowa portion of the Mississippi river trail.

11. OFFICE OF TREASURER OF STATE.

a. For county fair infrastructure improvements for distribution in accordance with chapter 174 to qualified fairs which belong to the association of Iowa fairs:

..... \$ 1,060,000

b. For deposit in the community attraction and tourism fund:

..... \$ 12,500,000

Payment of moneys from the appropriations in this section shall be made in a manner that does not adversely affect the tax-exempt status of any outstanding bonds issued by the tobacco settlement authority.

Sec. 26. CONTINGENT AND ALTERNATIVE APPROPRIATIONS — EFFECTIVE DATE. The appropriations in section 25 of this division of this Act shall be made from the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund on or after the effective date of the receipt of tax-exempt bond proceeds by the tobacco settlement authority and the deposit of the proceeds of the tax-exempt bonds in the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund. However, if any of the following occurs, the appropriations in section 25 of this division of this Act shall be made from the rebuild Iowa infrastructure fund to the extent they cannot be made from the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund:

- 1. 2001 Iowa Acts, Senate File 532³ is not enacted.
- 2. 2001 Iowa Acts, Senate File 532⁴ is enacted, but the tobacco settlement authority established in chapter 12E does not securitize tobacco master settlement agreement payments sold to the authority pursuant to 2001 Iowa Acts, Senate File 532⁵ prior to June 30, 2002.
- 3. 2001 Iowa Acts, Senate File 532⁶ is enacted and the tobacco settlement authority securitizes tobacco master settlement agreement payments sold to the authority pursuant to 2001 Iowa Acts, Senate File 532,⁷ but the bond proceeds are not received by the tobacco settlement authority and deposited in the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund on or before June 30, 2002.
- 4. For any other reason, any of the amounts in section 25 cannot be paid from the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund.

Sec. 27. There is appropriated from the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund to the following departments and agencies for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. IOWA TELECOMMUNICATIONS AND TECHNOLOGY COMMISSION.

For conversion of the Iowa communications network to asynchronous transfer mode technology, notwithstanding section 8.57, subsection 5, paragraph "c", and section 12E.12,

³ Chapter 164 herein
⁴ Chapter 164 herein
⁵ Chapter 164 herein
⁶ Chapter 164 herein
⁷ Chapter 164 herein

subsection 1, paragraph “b”, subparagraph (1), as enacted by 2001 Iowa Acts, Senate File 532,⁸ if enacted:

..... \$ 3,500,000

2. DEPARTMENT OF EDUCATION.

For allocation to the public broadcasting division for completion of the conversion to high-definition television, notwithstanding section 8.57, subsection 5, paragraph “c”, and section 12E.12, subsection 1, paragraph “b”, subparagraph (1), as enacted by 2001 Iowa Acts, Senate File 532,⁹ if enacted:

..... \$ 2,400,000

Payment of moneys from the appropriations in this section shall be made in a manner that does not adversely affect the tax-exempt status of any outstanding bonds issued by the tobacco settlement authority.

Sec. 28. There is appropriated from the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund to the department of general services for the following fiscal years, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

For the planning, design, and construction of a multipurpose laboratory facility:

FY 2001-2002.....	\$	16,670,000
FY 2002-2003.....	\$	16,670,000
FY 2003-2004.....	\$	16,660,000

The department is authorized to enter into contracts for the full cost of the project for which appropriations are made in this section. The state shall not be obligated for costs associated with contracts identified in this paragraph in excess of the funds appropriated by the general assembly.

Payment of moneys from the appropriations in this section shall be made in a manner that does not adversely affect the tax-exempt status of any outstanding bonds issued by the tobacco settlement authority.

Sec. 29. CONTINGENT APPROPRIATIONS — EFFECTIVE DATE. The appropriations in sections 27 and 28 of this division of this Act shall be made from the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund on or after the effective date of the receipt of tax-exempt bond proceeds by the tobacco settlement authority and the deposit of the proceeds of the tax-exempt bonds in the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund. However, if any of the following occurs, the appropriations in sections 27 and 28 of this division of this Act shall not be made from the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund:

1. 2001 Iowa Acts, Senate File 532¹⁰ is not enacted.
2. 2001 Iowa Acts, Senate File 532¹¹ is enacted, but the tobacco settlement authority established in chapter 12E does not securitize tobacco master settlement agreement payments sold to the authority pursuant to 2001 Iowa Acts, Senate File 532¹² prior to June 30, 2002.
3. 2001 Iowa Acts, Senate File 532¹³ is enacted and the tobacco settlement authority securitizes tobacco master settlement agreement payments sold to the authority pursuant to 2001 Iowa Acts, Senate File 532,¹⁴ but the bond proceeds are not received by the tobacco settlement authority and deposited in the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund on or before June 30, 2002.
4. For any other reason, any of the amounts in section 27 cannot be paid from the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund.

⁸ Chapter 164 herein
⁹ Chapter 164 herein
¹⁰ Chapter 164 herein
¹¹ Chapter 164 herein
¹² Chapter 164 herein
¹³ Chapter 164 herein
¹⁴ Chapter 164 herein

Sec. 30. REVERSION. Notwithstanding section 8.33, moneys appropriated in this division of this Act shall not revert at the close of the fiscal year for which they were appropriated but shall remain available for the purposes designated until the close of the fiscal year that begins July 1, 2004, or until the project for which the appropriation was made is completed, whichever is earlier.

Sec. 31. EFFECTIVE DATES. Sections 22 through 24 of this division of this Act, amending 2000 Iowa Acts, chapter 1225, sections 10, 15, and 18, being deemed of immediate importance, take effect upon enactment.

DIVISION IV
STATUTORY CHANGES AND RELATED MATTERS

Sec. 32. Section 7E.5A, Code 2001, is amended to read as follows:

7E.5A BUILDINGS AND INFRASTRUCTURE — IDENTIFICATION OF MAINTENANCE FUNDING NEEDS.

1. For each new vertical infrastructure project ~~undertaken on or after July 1, 1997~~, the department in control of the vertical infrastructure shall identify and recommend to the general assembly funding sufficient to meet the projected maintenance, repair, and replacement needs of the vertical infrastructure.

2. A department shall, within its five-year capital budget request, identify specific instances where the failure to address deferred maintenance has had a negative impact on the department's ability to implement its mission and the proposed costs for annual routine and preventive maintenance based on an industry standard of one percent of the estimated replacement cost of the department's facilities. This subsection shall not apply to the state department of transportation.

3. A department requesting state moneys for a vertical infrastructure project shall actively pursue any federal funds for which the proposed project may be eligible and shall demonstrate such pursuit prior to receiving state moneys for the project. The department shall report the receipt of any such federal funds to the department of management and the legislative fiscal bureau in the manner described in section 8.23.

2-4. As used in this section, "vertical infrastructure" means the same as defined in section 8.57, subsection 5, paragraph "c".

Sec. 33. Section 8.57, subsection 5, paragraph e, Code 2001, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. If the total amount of moneys directed to be deposited in the general fund of the state under sections 99D.17 and 99F.11 in a fiscal year is less than the total amount of moneys directed to be deposited in the vision Iowa fund and the school infrastructure fund in the fiscal year pursuant to this paragraph "e", the difference shall be paid from lottery revenues in the manner provided in section 99E.10, subsection 3.

Sec. 34. Section 12.73, Code 2001, is amended to read as follows:

12.73 VISION IOWA FUND MONEYS — ADMINISTRATIVE COSTS.

During the term of the vision Iowa program established in section 15F.302, ~~one two~~ hundred thousand dollars of the moneys deposited each fiscal year in the vision Iowa fund and appropriated for the vision Iowa program shall be allocated each fiscal year to the department of economic development for administrative costs incurred by the department for purposes of administering the vision Iowa program.

Sec. 35. Section 12.74, subsection 2, Code 2001, is amended by striking the subsection.

Sec. 36. Section 12.84, subsection 2, Code 2001, is amended by striking the subsection.

Sec. 37. Section 15F.202, subsection 2, unnumbered paragraph 1, Code 2001, is amended to read as follows:

A city or county in the state or public organization may submit an application to the board for financial assistance for a project under the program. The assistance shall be provided only from funds, rights, and assets legally available to the board and shall be in the form of grants, loans, forgivable loans, and ~~loan-guarantees~~ credit enhancement and financing instruments. The application shall include, but not be limited to, the following information:

Sec. 38. Section 15F.202, subsection 3, Code 2001, is amended to read as follows:

3. A school district, in cooperation with a city or county, may submit a joint application for financial assistance for a project under the program. The assistance shall be provided only from funds, rights, and assets legally available to the board and shall be in the form of grants, loans, forgivable loans, and ~~loan-guarantees~~ credit enhancement and financing instruments. In addition to the information required in subsection 2, the application shall include a demonstration that the intended future use of the project shall be by both joint applicants.

Sec. 39. Section 15F.204, subsection 3, Code 2001, is amended to read as follows:

3. The fund shall be used to provide assistance only from funds, rights, and assets legally available to the board in the form of grants, loans, forgivable loans, and ~~loan-guarantees~~ credit enhancements and financing instruments under the community attraction and tourism program established in section 15F.202. An applicant under the community attraction and tourism program shall not receive financial assistance from the fund in an amount exceeding fifty percent of the total cost of the project.

Sec. 40. Section 15F.302, subsection 2, unnumbered paragraph 1, Code 2001, is amended to read as follows:

A city or county or a public organization in the state may submit an application to the board for financial assistance for a project under the program. For purposes of this subsection, "public organization" means a nonprofit economic development organization or other nonprofit organization that sponsors or supports community or tourism attractions and activities. The financial assistance from the fund shall be provided only from funds, rights, and assets legally available to the board and shall be in the form of grants, loans, forgivable loans, pledges, and ~~guarantees~~ credit enhancements and financing instruments. The application shall include, but not be limited to, the following information:

Sec. 41. Section 15F.302, subsection 3, Code 2001, is amended to read as follows:

3. A school district, in cooperation with a city or county, may submit a joint application for financial assistance for a project under the program. The financial assistance shall be provided only from funds, rights, and assets legally available to the board and shall be in the form of grants, loans, forgivable loans, and ~~loan-guarantees~~ credit enhancements and financing instruments. In addition to the information required in subsection 2, the application shall include a demonstration that the intended future use of the project shall be by both joint applicants.

*Sec. 42. NEW SECTION. 15F.303A PUBLIC ORGANIZATIONS — COMPETITIVE BIDDING OF PROJECTS.

A public organization, as defined in section 15F.302, subsection 2, whose application for financial assistance under the program is approved by the board shall advertise for sealed bids for the construction portion of the proposed project by publishing a notice to bidders as provided in this section. The notice to bidders shall be published in a newspaper of general circulation in the county where the construction is to be performed not less than twenty days but not more than forty-five days before the date for filing bids.

1. NOTICE TO BIDDERS. The notice to bidders must state the following items:

a. The time and place for filing sealed proposals.

b. The time and place sealed proposals will be opened and considered on behalf of the public organization.

c. The general nature of the project on which bids are requested.

d. In general terms when the work must be commenced and when it must be completed.

e. That each bidder shall accompany the bid with a bid security as prescribed in this paragraph and as specified by the public organization, as security that the successful bidder will enter into a contract for the work bid upon and will furnish after the award of contract a corporate surety bond, acceptable to the public organization, for the faithful performance of the contract, in an amount equal to one hundred percent of the amount of the contract. The bidder's security shall be in an amount fixed by the public organization, and shall be in the form of a cashier's or certified check drawn on a bank in Iowa or a bank chartered under the laws of the United States, or a certified share draft drawn on a credit union in Iowa or chartered under the laws of the United States, or the public organization may provide for a bidder's bond with corporate surety satisfactory to the public organization. The bid bond shall contain no conditions except for those provided in this subsection.

f. Any further information that the public organization deems pertinent.

The notice to bidders may provide that bids will be received for the furnishing of all labor and materials and furnishing or installing equipment under one contract, or for parts thereof in separate sections.

2. **BID SECURITY.** The amount of bid security must be fixed by the public organization prior to ordering publication of the notice to bidders and must equal at least five percent, but may not exceed ten percent of either the estimated total contract cost of the construction portion of the project, or the amount of each bid.

3. **AWARD OF CONTRACT.** The contract for the construction portion of the project must be awarded to the lowest responsible bidder. This subsection shall not be construed to prohibit a public organization in the award of a contract for the construction portion of a project from providing, an enhancement of payments upon early completion of the construction portion of the project if the availability of the enhancement payments is included in the notice to bidders, the enhancement payments are competitively neutral to potential bidders, and the total value of the enhancement payments does not exceed ten percent of the value of the contract.*

Sec. 43. Section 15F.304, subsection 4, Code 2001, is amended to read as follows:

4. Upon review of the recommendations of the review committee, the board shall approve, defer, or deny the applications. If an application is approved, the board may enter into an agreement with the applicant to provide financial assistance authorized under section 15F.302.

Sec. 44. Section 99E.10, Code 2001, is amended by adding the following new subsection:

NEW SUBSECTION. 3. a. Notwithstanding subsection 1, if gaming revenues under sections 99D.17 and 99F.11 are insufficient in a fiscal year to meet the total amount of such revenues directed to be deposited in the vision Iowa fund and the school infrastructure fund during the fiscal year pursuant to section 8.57, subsection 5, paragraph "e", the difference shall be paid from lottery revenues prior to deposit of the lottery revenues in the general fund. If lottery revenues are insufficient during the fiscal year to pay the difference, the remaining difference shall be paid from lottery revenues in subsequent fiscal years as such revenues become available.

b. The treasurer of state shall, each quarter, prepare an estimate of the gaming revenues and lottery revenues that will become available during the remainder of the appropriate fiscal year for the purposes described in paragraph "a". The department of management and the department of revenue and finance shall take appropriate actions to provide that the amount of gaming revenues and lottery revenues that will be available during the remainder of the appropriate fiscal year is sufficient to cover any anticipated deficiencies.

* Item veto; see message at end of the Act

Sec. 45. NEW SECTION. 161D.8 ANNUAL REPORT — AUDIT.

1. The authority shall submit to the department of management, the legislative fiscal bureau, and the division of soil conservation of the department of agriculture and land stewardship, on or before December 31, annually, a report including information regarding all of the following:

- a. Its operations and accomplishments.
 - b. Its budget, receipts, and actual expenditures during the previous fiscal year, in accordance with classifications it establishes for its operating and capital accounts.
 - c. Its assets and liabilities at the end of the previous fiscal year and the status of reserve, special, and other funds.
 - d. A statement of its proposed and projected activities.
 - e. Recommendations to the governor and the general assembly, as deemed necessary.
 - f. Any other information deemed necessary.
2. The annual report shall identify performance goals of the authority, and clearly indicate the extent of progress, during the reporting period, in attaining these goals.
3. The fund shall be subject to an annual audit by the auditor of state.

Sec. 46. NEW SECTION. 161D.13 ANNUAL REPORT — AUDIT.

1. The southern Iowa development and conservation authority shall submit to the department of management, the legislative fiscal bureau, and the division of soil conservation of the department of agriculture and land stewardship, on or before December 31, annually, a report including information regarding all of the following:

- a. Its operations and accomplishments.
 - b. Its budget, receipts, and actual expenditures during the previous fiscal year, in accordance with classifications it establishes for its operating and capital accounts.
 - c. Its assets and liabilities at the end of the previous fiscal year and the status of reserve, special, and other funds.
 - d. A statement of its proposed and projected activities.
 - e. Recommendations to the governor and the general assembly, as deemed necessary.
 - f. Any other information deemed necessary.
2. The annual report shall identify performance goals of the authority, and clearly indicate the extent of progress, during the reporting period, in attaining these goals.
3. The southern Iowa development and conservation fund shall be subject to an annual audit by the auditor of state.

Sec. 47. 2001 Iowa Acts, House File 755,¹⁵ section 30, if enacted, is amended to read as follows:

SEC. 30. Notwithstanding any contrary provision in section 45E.11, subsection 1, Code 2001, any ~~unencumbered or unobligated cash~~ balance in the groundwater protection fund and in any of the accounts within the groundwater protection fund ~~on June 30, 2001~~ not needed for expenditure in the fiscal year beginning July 1, 2001, and ending June 30, 2002, shall be transferred to the general fund of the state.

Sec. 48. USE OF TAX-EXEMPT BOND PROCEEDS — REIMBURSEMENT.

1. Notwithstanding any provision of law to the contrary, moneys deposited in the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund that are subject to an appropriation pursuant to section 12E.10, subsection 1, paragraph “b”, as amended by 2001 Iowa Acts, Senate File 532,¹⁶ if enacted, shall remain in the tax-exempt bond proceeds restricted capital funds account until such time as costs are properly incurred and due for the purpose for which the appropriation was made. Payments for such properly incurred costs shall be made consistent with the requirements of federal law, chapter 12E, as amended by 2001 Iowa Acts, Senate File 532,¹⁷ if enacted, and the sales agreement, as defined in section 12E.2.

¹⁵ Chapter 176 herein

¹⁶ Chapter 164, §11 herein

¹⁷ Chapter 164 herein

2. Until bond proceeds are received by the tobacco settlement authority and deposited in the tax-exempt bond proceeds restricted capital funds account of the tobacco settlement trust fund, payments for costs incurred for projects for which appropriations are made in section 25 of this division¹⁸ of this Act may be made from the rebuild Iowa infrastructure fund. Upon receipt of bond proceeds and deposit of the proceeds in the tax-exempt bond proceeds restricted capital funds account, such payments shall be reimbursed to the rebuild Iowa infrastructure fund from the tax-exempt bond proceeds restricted capital funds account, subject, however, to any applicable limitations on the use of the proceeds as provided in the Internal Revenue Code and this Act.

Sec. 49. EFFECTIVE DATE. The following provisions of this division of this Act, being deemed of immediate importance, take effect upon enactment:

Sections 33 and 35 through 44 of this division of this Act, amending sections 8.57, 12.74, 12.84, 15F.202, 15F.204, and 15F.302, enacting section 15F.303A, and amending sections 15F.304, and 99E.10.

Approved May 29, 2001, with exceptions noted.

THOMAS J. VILSACK, Governor

Dear Mr. Secretary:

I hereby transmit House File 742, an Act relating to and making appropriations to state departments and agencies, including the department of corrections, the department of cultural affairs, the department of economic development, the department of general services, the Iowa state fair foundation, the legislative council, the department of natural resources, the department of public defense, the department of public safety, the state board of regents, the state department of transportation, the office of treasurer of state, and the department of agriculture and land stewardship, and to the Iowa resources enhancement and protection fund, making related statutory changes, providing for alternative and contingent appropriations, and providing effective dates.

I am pleased that the general assembly chose, for the most part, to follow the recommendations of the infrastructure advisory committee and the recommendations included in the five year capital projects plan. There are, however, instances in House File 742 where those recommendations were not followed, funding levels were less than recommended, or projects were not funded in priority order.

For these reasons, House File 742 is, therefore, approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve Section 17 in its entirety. This item would appropriate \$90,000 for a borrow pit recreation project in Grundy County. This was not recommended by the infrastructure advisory committee; given that there are other funding resources for recreational projects within this budget, these resources should be dedicated to higher ranking state projects.

I am unable to approve the designated portion of Section 25, subsection 3, paragraph c. This item appropriated \$400,000 for the construction of a pedestrian bridge over Court Avenue on the Capitol complex. Given that projects with higher priority were not appropriated at the recommended level, these resources can be more appropriately used on these priorities in the next budget year.

¹⁸ Division III of this Act probably intended

I am unable to approve Section 25, subsection 8. This item appropriates \$250,000 for the site purchase and preparation for the construction of a new state patrol post in Mason City. While this project is included in the 5-year plan for capital projects, there are other higher priorities, including a utilities update to the Toledo juvenile facility, and unit renovations at the Anamosa reformatory.

I am unable to approve Section 42 in its entirety. This language, added in the last hours of the legislative session, would create a variety of notice and bidding requirements for local projects that receive Vision Iowa funding. These requirements, because they are effective immediately, would jeopardize projects that have already received financial commitments. It would be unwise to delay projects, which could add to their cost, by imposing these last minute requirements upon them.

The bulk of the funds and the responsibility for the success of these projects rest with local officials and taxpayers. I believe that they are in the best position to determine how projects will be bid and awarded.

For the above reasons, I hereby respectfully approve House File 742 with the exceptions noted above.

Sincerely,
THOMAS J. VILSACK, Governor

CHAPTER 186

APPROPRIATIONS — JUSTICE SYSTEM

S.F. 530

AN ACT relating to and making appropriations to the justice system, making related statutory changes, and providing an effective date.

Be It Enacted by the General Assembly of the State of Iowa:

**DIVISION I
REGULAR APPROPRIATIONS**

Section 1. DEPARTMENT OF JUSTICE. There is appropriated from the general fund of the state to the department of justice for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the general office of attorney general for salaries, support, maintenance, miscellaneous purposes including odometer fraud enforcement, and for not more than the following full-time equivalent positions:

.....	\$	7,900,519
.....	FTEs	200.50

2. For the prosecuting attorney training program for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	304,943
.....	FTEs	6.00

3. In addition to the funds appropriated in subsection 1, there is appropriated from the general fund of the state to the department of justice for the fiscal year beginning July 1,